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United States
Department of
Agriculture

Office of
Governmental
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Major News Releases and Speeches

January 23-January 30, 1981

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Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

WASHINGTON, Jan. 28--Following are excerpts from a news conference Secretary of Agriculture John Block held here today:

Q: Do you favor any basic change in the dairy price support program?

A: I can't speak to the specific kind of change we need to look at, but we will be talking to members of the dairy industry. They are aware they have a problem and are aware it needs to be addressed because it is becoming more costly than it should and we are getting stocks out of balance with demand.

Q: Would you support a bill to skip the scheduled increase in the dairy price support program?

A: That might be a possibility. I am not prepared to say precisely what we want to do.

Q: What is the (administration's) position on the grain embargo and also on the future of another agreement with the Soviet Union?

A: At our cabinet meeting yesterday it was suggested that the grain embargo question be reviewed by the National Security Council. I didn't feel that that was a proper forum. I recommended to the president that it be reviewed by a much broader forum than that since there are many other interests at stake here. President Reagan is scheduling a review by the full cabinet, probably some time next week.

Q: Are you leaning in any direction (on the grain embargo question) at this time?

A: I haven't changed my mind. I have always felt (the embargo) was doomed to failure and I feel we need to be looking toward a way to lift it. I don't know how and I don't know when, but I haven't changed my mind.

Q: Are there economic reasons for keeping the embargo to somewhat cut food prices?

A: No. That isn't a consideration and it should not be a consideration. If grain embargos are imposed for economic reasons, by law the price support must be increased to 90 percent of parity. We are not going to impose grain embargos for economic reasons.

Q: Yesterday the Office of Management and Budget indicated that agriculture programs were likely candidates for massive cut-backs. How large to you expect those cut-backs to be?

A: I think (OMB director) Stockman is looking at substantial cuts everywhere and is not singling out agriculture nor is he singling out food programs. I think everyone (in government) is going to feel a little pinched and I think it is a healthy pinch.

I don't foresee farm programs will be wiped off the face of the earth or be completely gutted. The costly farm programs will be receiving the greatest amount of scrutiny.

Q: Which programs would you recommend they look most closely at to cut?

A: The most costly. I think the dairy program is going to have to be given a lot of consideration. Another one would be the expansion we have seen in the Farmers Home Administration. That has to be brought back down to earth a little bit.

The Rural Electrification Administration program has done a tremendous job for rural America, but I think maybe the time has come to begin weaning it a little more away from government support.

Our food programs have to be scrutinized and there will be areas of contraction. We want to support the truly needy, but we have to look at ways to reduce the resources going to those that really aren't as needy.

Q: How closely will you work with the State Department on some of the food export programs?

A: That is an area of great interest to me. I think it is of great benefit to the people at large in this country. These programs benefit everyone in terms of strengthening prices, strengthening the economy and providing a foreign exchange to buy oil. I am strongly in favor of expanding exports.

Q: Food prices this year are going to be rising at a pretty torrid rate. What do you think now about what you said earlier about the possibility of raising some commodity price supports and what are you going to do in general about food prices?

A: Frankly, I don't agree that a 12 percent increase is a torrid pace compared with some of the rest of the inflation we are looking at. Over the past two or three years--if we average it--the trend line (for food prices) is really below the rest of inflation. Food has been an inflation

fighter. We have a great bargain in food in this country. That doesn't mean when you go to buy it you wish you didn't have to pay so much. I think you have to expect food is cyclical like other things in this country and it will have a little peak and then level off. This year we are looking at a peak.

Q. Do you see restoration to the normal crop acre requirement?

A. No. I think that requirement puts undue restrictions on planting and on the freedom of decision making on the part of the operator. This administration would like to move away from having undue influence or pressure on the freedom of the operator. I would like to see the market system work more than it has in the past and give farmers more freedom.

Q. Do you see soil erosion and land use as a major issue this year?

A. They are separate topics that have a close relationship. I have very serious concerns and I think it is fortunate that people in agriculture have these concerns. Our most precious resource is our rich land and climate, so we have to preserve them. The federal government needs to provide leadership--in terms of recognizing the problem, putting adequate emphasis on it and encouraging states to take more leadership.

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Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

USDA SETS INCOME STANDARDS FOR SUPPLEMENTAL FOOD PROGRAM

WASHINGTON, Jan. 23--The U.S. Department of Agriculture has set maximum income limits for people who participate in the special supplemental food program for women, infants and children, under final rules issued today.

Previously, each state set its own income limits and no limit was prescribed by USDA, Maggie Glavin, deputy administrator of USDA's Food and Nutrition Service, said.

Under the final rules, states must set a maximum gross income limit for a family of four that is no higher than \$15,490 and no lower than \$7,450 a year. The maximum income is determined by calculating 195 percent of the official U.S. Government poverty line, plus a current standard deduction of \$80 per month, she said.

"The Omnibus Reconciliation Act, passed last month by Congress, established this as the maximum income limit for the WIC program," Glavin said. The minimum income limit is equal to the poverty line, which is recommended by the Office of Management and Budget.

"State agencies will be allowed to use state or local income eligibility standards as the income limits for their WIC programs so long as these do not exceed or fall below the USDA limits," Glavin said. "This flexibility is intended to allow participating health clinics to use the same income standards for WIC that they use in health care programs they may operate for low income women, infants and children. This should foster administrative efficiency and reduce paperwork."

The WIC program provides supplemental foods, nutrition education and health care to 2.2 million low income women, infants and children up to age five determined to be at risk because of inadequate diet or inadequate health care. Women participating in the program must be pregnant or breastfeeding or must have recently given birth.

The regulations governing WIC eligibility criteria are scheduled to be published in the Jan. 23 Federal Register.

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FARMERS FIGHTING TO HOLD SOIL ON THE GREAT PLAINS

WASHINGTON, Jan. 26--This time of year, farmers watch the sky closer than usual on the Great Plains of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas and Wyoming.

They're looking for signs high winds might kick up.

In the winter months and on through May, the strong winds do their worst to the land, sweeping tons of topsoil away. It's sometimes called the "big blow" season, a time when a replay of the killing "Dust Bowl" of the mid-1930's is most likely to happen--if it ever does.

There's reason to believe it won't.

Many farmers and agencies of the U.S. Department of Agriculture are trying to prevent it.

A special team effort of farmers and the USDA's Soil Conservation Service is called the "Great Plains Conservation Program." USDA records show their achievements are considerable, but they know they'll have to do more.

People still remember how swiftly the country's first national dust storm turned the Great Plains countryside into a "Dust Bowl" nearly 50 years ago. The catastrophe caught the victims by surprise, although a lack of adequate conservation practices had been laying the groundwork for trouble a long time.

Huge clouds darkened by Great Plains topsoils headed east. Sparse rainfall in parts of Texas scarcely slowed the soil's flight to the Atlantic Ocean, 2,000 miles (3,200 kilometers) away. Millions of acres of land were stripped of plant nutrients. Farm families by the thousands packed what belongings they could salvage and left the Great Plains. "The Dust Bowl need not be repeated," said Norman Berg, chief of the USDA's Soil Conservation Service. "With modern conservation methods and advanced agricultural technology, farmers can put up a better fight."

Berg said the Great Plains Conservation Program specifically aims to restore land damaged by the dust storms of the 1930's and to prevent a return of the Dust Bowl.

Under this program, Berg said, 469 counties in the Great Plains states voluntarily practice extensive soil and water conservation. They get financial help from the USDA, and local units of the Soil Conservation Service provide on-the-spot know-how.

Another 49 counties soon will be eligible for the assistance, Berg said. To qualify for the help, a county must be designated by the secretary of agriculture as susceptible to serious wind erosion.

Farmers taking part in the soil-saving effort work with specialists of the USDA agency. They develop conservation plans to meet the needs of each farm and move ahead with the government paying part of the costs. The federal share of the expenses for each conservation practice ranges from 50 to 80 percent. The landowner pays the rest.

President Eisenhower signed the program into law in 1956. In 1980, Congress extended the program to Sept. 30, 1981, and authorized \$600 million in overall cost-sharing funds. Altogether, cost-share payments cannot exceed \$50 million for any program year.

This program, said Berg, is coordinated with other federal state and local governmental agencies through state and county committees. It's intended to be in addition to, not a substitute for, other programs operating in the Great Plains states.

Besides controlling wind erosion, the program helps farmers whose land is subject to serious erosion by water because of soil type, terrain, climate, flooding, salinity and other natural hazards. In most Great Plains counties, 33 different conservation practices can qualify a farmer or rancher to receive cost-sharing assistance.

Visualize an aerial view of the ten Great Plains states--a total land area of 436 million acres (175 million hectares)--and saving the soils looks like too big a task to think about, but it is being done, said Berg.

"Considerable progress is being made," he said. "We've had no Dust Bowls since the 1930's. Much soil that otherwise would be lost is staying on the Great Plains. However, we'll have to do more to prevent one in the years ahead."

Russ Thompson, a rancher near Lusk, Wyo., put it this way:

"Despite the especially dry conditions around Lusk this year, we were able to manage our ranch so we did not have to worry about buying hay or hauling water. It would have been harder to do this before the Great Plains Conservation Program. That's why I got

interested in soil conservation in the first place."

Thompson said he's using the program to carry out several practices to maintain good rangeland. These include piping livestock water to various areas and fencing pastures so animals will graze the forage evenly.

"I have backed the Great Plains contract all the way. Nobody has a crystal ball to predict the future. The Great Plains program gives us the flexibility to modify plans as operating conditions change," he said.

Last year, Berg said, the Soil Conservation Service helped farmers and ranchers practice conservation on 3.2 million acres (1.3 million hectares) of land in the Great Plains.

Among these projects were 163,000 acres (65,200 hectares) of permanent vegetative cover, 3,198 miles (5,117 kilometers) of terraces, 599 miles (958 kilometers) of livestock pipelines and 4,241 acres (1,696 hectares) of windbreaks.

More than 57,000 conservation contracts have been developed on 108 million acres (43 million hectares) in the ten Great Plains states. Nearly 12,250 contracts now are in effect on about 30 million acres (12 million hectares).

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SIX WATERSHED PROJECTS TO RECEIVE PLANNING ASSISTANCE

WASHINGTON, Jan 27--The U.S. Department of Agriculture has approved six new watershed projects for planning assistance in Montana, Oregon, Georgia, South Carolina, Oklahoma and Wisconsin.

Norman A. Berg, chief of the U.S. Department of Agriculture's Soil Conservation Service, said offices of the agency will provide help to local sponsors of the six projects. Assistance includes investigations and surveys necessary to develop watershed plans under the Watershed Protection and Flood Prevention Act of 1954.

The newly authorized projects are:

- Wolf Creek Watershed, Fergus and Judith Basin counties, Mont.
- Mt. Hood Irrigation District Watershed, Hood River county, Ore.

- Beaver Creek Watershed, Macon county, Ga.
- Cartwheel Community Watershed, Horry county, S.C.
- Campbell Creek Watershed, Kingfisher county, Okla.
- Upper Sugar River Watershed, Dane county, Wis.

Berg said the six projects will protect the watersheds they serve from erosion and siltation and help prevent flooding.

The watershed program provides federal technical and financial assistance to local units of government to solve their water resource management problems.

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U.S. CUTTINGS OF JAPANESE CHERRY BLOSSOM TREES GOING TO JAPAN

WASHINGTON, Jan. 27--Japanese park service representatives are in Washington to take cuttings from the Japanese flowering cherry trees so they can re-establish some varieties that no longer grow in Japan.

"Washington's collection of cherry trees now contains varieties not found in Japan today," said Roland Jefferson, botanist at the U.S. Department of Agriculture's National Arboretum, "and the Japanese hope to re-establish the trees along the banks of the Arakawa River in the Kohoku area of Tokyo."

This was the region of Japan that supplied Washington with the original trees. "During the 69 years since the United States first received 3,000 ornamental cherry trees as a gift from Japan, viewing the annual cherry blossoms has become a spring rite for thousands of visitors to the nation's capitol," Jefferson said.

Takao Watanabe, chief of the Tokyo Metropolitan Park Service, is overseeing the selection, preparation and transport of cherry bud cuttings from the arboretum and Potomac Park. Such cuttings must be made during the winter dormancy of the parent trees.

Arboretum scientists hope that the current cooperation between the two countries will broaden into a long-term exchange and documentation of ornamental cherry tree material.

Such an exchange is particularly important, Jefferson said, because the United States also has had difficulty in preserving particular

selections of the flowering cherry trees. Some strains are represented in this country by only one or two living plants. Of the 12 cultivated varieties of cherries represented in Japan's original gift of 3,000 trees, only the Kwansan and Yoshino varieties still are growing in the Tidal Basin and Potomac Park areas.

It may be possible, however, for Watanabe to obtain cuttings from some of the "lost" varieties as well, Jefferson said.

Jefferson has begun to assemble and document what might some day become a national ornamental cherry tree collection unmatched for its variety. To date, more than 60 selections of the flowering cherry are well established at the National Arboretum in Washington, D.C., part of USDA's Science and Education Administration.

Jefferson has already collected six of the lost Tidal Basin and Potomac Park strains from other parts of the country. He estimates that as many as eight of the Arboretum's many cherry strains may exist only in that collection.

In Japan, the flowering cherry tree or "Sakura," as it is known, is one of the most exalted of all flowering plants. The high regard in which it is held is reflected in all aspects of traditional Japanese culture.

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USDA LOANS TO BRING FIRST ELECTRICITY TO NAVAJO FAMILIES

WASHINGTON, Jan. 27--Some 2,000 families in the Navajo nation expect to get electricity in their hogans for the first time as the result of two U.S. government loans totaling \$9.4 million.

A U.S. Department of Agriculture agency, the Rural Electrification Administration, has approved the loans to the Navajo Tribal Utility Authority at Fort Defiance, Ariz., to finance a large electric construction program on the Navajo reservation there.

Navajos tend to live in hogans far apart from each other rather than in big communities, making it difficult to serve them with electricity.

"Their extreme isolation and limited economic resources have made it virtually impossible for the Navajo people to obtain financing for electric service other than through the Rural Electric Administration

program," said Joseph Vellone, acting administrator for the agency.

Vellone said the two loans--one for \$6.2 million at 2 percent interest and another for \$3.2 million at 5 percent interest--will finance construction of about 475 miles of distribution line, 15 miles of transmission line and three distribution substations.

"These facilities will carry power to clusters of Navajo settlements in the most remote areas of the Navajo Tribal Utility Authority's service area. The electrical lines will span the entire 25,000 square mile Navajo Reservation in Arizona, New Mexico and Utah," he said.

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BLOCK HALTS SOME FUEL ALCOHOL PLANT FARMERS HOME LOAN GUARANTEE PROJECTS

WASHINGTON, Jan. 28--Effective Jan. 27, Secretary of Agriculture John Block directed that USDA's Farmers Home Administration discontinue approving, processing and disbursing business and industrial program loan guarantees for 15 fuel alcohol projects.

Following are Block's memorandum to that effect and a list of the 15 alcohol fuel plants, including the city and county in which each plant is located.

SUBJECT: FMHA Business and Industrial (B&I) Loans
for Alcohol
Fuel Projects

TO: Allan H. Brock
Acting Assistant Secretary
for Rural Development
Kenneth Latcholia
Acting Administrator
Farmers Home Administration

It has come to my attention that the Office of the Inspector General (OIG) is conducting a survey audit regarding 15 Business and Industrial (B&I) Program loan guarantees, totaling \$341,772,000, which have

recently been approved by the Farmers Home Administration for alcohol fuel projects. I understand that there is serious question regarding the thoroughness of the review procedures utilized, and the manner of obligation, for a number of these loan guarantees.

Pending the completion of the OIG audit of these loan guarantees, and such additional review as is deemed appropriate by your offices and the Office of the Secretary, I direct that all further approval, processing, and disbursements of these and similar alcohol fuel project loans under the B&I program be halted.

/s/

JOHN R. BLOCK
Secretary

FLORIDA	Florida Ethanol, Inc., Mayo (Lafayette County) Southwest Energy Group, Ltd, St. Marys (Camden County)
IDAHO	Power Alcohol, Inc., Blackfoot (Bingham County)
ILLINOISE	Ethanol Motor Fuel Associates, Waterman (De Kalb County)
IOWA	Consolidated Energy Group, Ltd., Gowrie (Webster County) The Agrifuel Corp., Esterville (Emmet County)
KENTUCKY	Kentucky Agricultural Energy Co., Franklin (Simpson County)
LOUISIANA	Goodwill Agri-Fuels, Inc., Goodwill (West Carroll Parish)
MICHIGAN	Enerhol Limited, Marysville (St. Clair County)
MINNESOTA	Agri-Energy, Inc., Crookston (Polk County)
MONTANA	Montana Agri Processors, Inc., Glasgow (Valley County)
NORTH	Continental Alcohol Fuels Corp., Selma (Johnson County)

OHIO	South Point Gasohol, Inc., South Point (Lawrence County)
TENNESSEE	Tiger Tail Distillery, Inc., Dyersburg (Dyer County)
TEXAS	Mapco Alcohol Fuel, Inc., Cactus (Moore County)

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